

Dear Readers,

The first year of the new century is close to coming to an end. And what a year with all its disasters. Unbelievable ! In my 64 years I have never before experienced what I witnessed during the end of this year.

The World Trade Center catastrophe, the war against the Talebans and then a while ago the crash at the Linate Airport in Milan of the SAS plane SK 686 bound for Copenhagen. It is slowly getting difficult to digest all these disasters, which I firmly believe have a severe mental impact on all human beings.

But as a clever man once said: "Nothing is so bad that it isn't good for something". I mean that because of the above "events" many countries now move closer together to fight terrorism. Countries, which in some cases were archenemies, are now backing each other, and I never saw such a "standing-shoulder-to-shoulder-mentality" before. That is very encouraging for mankind whom I think really needs some positive signals in this present turbulent world.

As a frequent flyer I can honestly say that it is not so much fun to travel at the present as it was before 11 September 2001. One has some nervousness when entering a plane, which is in fact stupid as it has probably never been safer to fly than just now, but anyway, if you are "on the wrong plane at the wrong time" you have bad luck, and you always need luck to survive and to grow old whether the world is turbulent or not.

We in our company will not let anyone scare us. We shall continue flying and seeing the people we need and want to see as we always did. If we stopped operating in our usual manner, the terrorists would have got it their way, and they will never ever have any influence on how we run our company and how we perform and handle our activities.

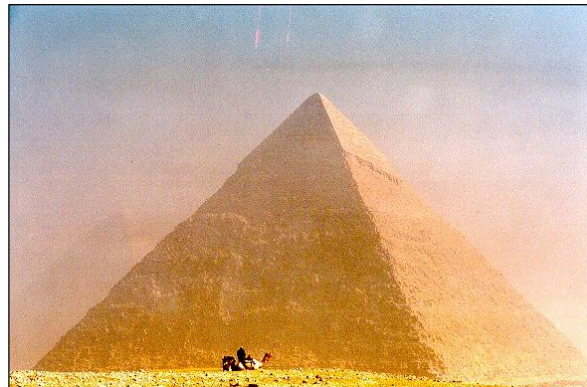
We never had any problems dealing with anyone in the whole wide world, whether people are yellow, black, red, or white. Whether they were Buddhists, Hindus, Protestants, Catholics, Muslims, or belonged to any other religion was never an issue for us and never will be. We are free business people coming from a free country, and we shall continue to do our business with anyone irrespective of colour, religion or politics.

Our Envelope

This year's envelope shows the Chephren pyramid in Giza, Egypt.

Every year in January I visit EGYPTALUM in Nag Hammady. Our company has been doing business with this smelter since the start of our company in 1984. I have many good friends in Cairo, where our long-time friends and business associates Tricontinent are residing and where EGYPTALUM have their head office, as well as in Nag Hammady, which plant I visited for the first time some 25 years ago.

This year's January visit gave me some extra hours in Cairo, and I went to see the pyramids for I don't know which time. The pyramids always make a special impression on me, and I am stunned thinking of how these masterpieces could be built thousands of years ago.



The pyramids date back to the years 2600 to 1600 B.C. and are among the 7 wonders of the ancient times. A tomb was placed inside the pyramid itself or placed in the ground under the pyramid. Access to this tomb was usually via a corridor, the entrance of which was placed on the north side of the pyramid. The Chephren pyramid covers an area of 5.31 hectares. Each single block, from which the pyramid is constructed, weighs some 200 metric tonnes !! Unbelievable !

This January morning the sun was about to rise and it was still somewhat misty. I took this photo, which is also the one on this year's envelope, showing an Egyptian man with his camels in front of the pyramid, probably waiting for some business, which is obviously "Camel rental".

Our 2001 Christmas Card

shows a rhino that I photographed during one of my many visits to Natal, South Africa, and the Hluhluwe-Umfolozi Game Reserve, where I have spent so many fantastic hours watching animals together with our friends from the Bayside smelter, who all contributed in teaching me what I know about the African wildlife today.

It is a white rhino, which is not white. What she has is a wide mouth enabling her to grass efficiently, and the word "wide" has obviously been changed into "white". An impressive and unbelievably fast animal. We are still contributing to the protection of especially this animal, and fortunately it appears that the number of rhinos is increasing.

The Front Page

of this Dynasty Update shows a good friend of mine. Her name is Tara. She is a female elephant of approx. 30 years residing in the Kipling Camp in India. I met her a few years ago during a vacation in India with my wife Tove and some very close friends of ours, Else and Flemming.

Tara is an impressive, fascinating and also a very kind and clever lady. Every evening before I went to bed, I went to her paddock to give her the last sugar canes of the day. We went bathing with her in the nearby river,

and she "took us for a ride". While Tara rested after this ride, I took the picture of her. Isn't that animal lovable ?

THE STAFF

We have a fantastic staff. The atmosphere among all of us is very relaxed and enjoyable. Ask them yourself, and I am sure that they will say the same. We all understand how important it is to have an outstanding relationship to our clients and suppliers, and I always get a positive feedback from both sides when checking - during my visits abroad - the service we provide.

Some changes have taken place this year, as we had to expand our shipping department to make sure that we always have enough staff to handle all our orders and shipments efficiently. Therefore, we employed **Helle H. Skov** as from 1 May 2001. The entire staff of the shipping department is now:

Marianna Simonsen

Overall responsible for the shipping department. Especially in charge of Silicon Carbide products to South America, The United Arab Emirates, Bahrain, Australia, and New Zealand.

Elke Jeppesen

In charge of barrier bricks to all customers.

Hanne Christensen

In charge of Silicon Carbide products to Scandinavia, Europe, USA, and Canada, and Calcium Silicate products to all customers.

Helle H. Skov

In charge of insulating bricks to all customers and Silicon Carbide products to Slovakia.

Furthermore, we now have two secretaries, namely:

Marianne Mondrup

Secretary to Morten.

Karen Margrethe Jensen

Secretary to me.

Karen Margrethe was formerly employed by Skamol and started in our company on 15 May 2001. From her time with Skamol, Karen Margrethe has much knowledge about the industry, so she is a great help to me. She has also better be, as Marianne informed us that she is pregnant and will have her maternity leave as from Christmas 2001 until early January 2003. ONE year. You won't believe it - but we have to accept it. However, I understand her perfectly well. Marianne lost her 3-year-old daughter a few years ago, so of course she wants another child.

As an employer you know the risk when you employ young attractive ladies. They seem to have a tendency to become pregnant. For your information Karen Margrethe is older than Marianne, so the risk of her being pregnant should be limited. She says !!! During her absence Marianne will be substituted by **Heidi Seniger**, who is 31 years old. Heidi comes from a shipping & forwarding company and speaks German and English fluently. We look forward to seeing Heidi for the first time in our company on 7 January 2002.

As from 1 August 2001 we employed **Dr. Neal Wai-Poi**, Ph.D. (Chemical and Materials Engineering). Neal's CV you already know as it was distributed a few months ago. Let me just repeat that Neal has been working for COMALCO in Australia and CORUS in Voerde, Germany. His "headquarter" is in Hong Kong where his wife, Waihan, works as an architect. Neal was born by Chinese parents in New Zealand, and therefore he is a New Zealand citizen. He does not speak Mandarin. Yet !

Neal knows the industry very well and he has already become a great asset to us. As I am growing older and feel less inclined to spend half my time in airports, airplanes, and taxies - and also as a part of our change of generation - I believe it was a good move we made employing Neal, and we shall now bring our activities to a higher technical level.

Neal has already been visiting our head office several times and been participating in many plant visits. He seems to fit very well into our company as he has the same humorous attitude to life as we have.

Neal will assist in furnace modelling and be an advisor on furnace constructions. He will participate in autopsies and, of course, always be present at the various aluminium conferences all over the world, representing us together with Morten and Klaus. He will also be involved in our present and new activities in China, as he is living conveniently close to China.

THE FAMILY (AND OUR DOGS)

The family is still doing well. We enjoy being so close on a daily basis to Klaus and Morten and their families (especially the grandchildren, but don't tell our daughters in law ...).

The grandchildren are growing, and **Sara** is today a beautiful young girl who starts looking like a lady. She keeps talking about getting a horse, as she is crazy about horses. A few years ago I promised her a horse "some day". This "some day" seems to be approaching with a frightening speed like an express train coming towards me. But a word is a word, and she will get her horse probably next year. I shall tell you more about "the new animal" next year. It will probably be an Icelandic horse, which can stay outdoors all year round.

Sara not only likes horses, but she is also a member (like myself) of various animal protection organisations, so the horse she gets would probably be sleeping - if possible and permitted - in her bed.

Frederik has just turned 8 years old and he fancies Football (Soccer). He has been quite expensive for me lately as I pay him DKK 20 (USD 2.50) for each goal he scores - and he does score several. But I enjoy paying him, and I am of course proud of him.

Frederik is also mad about cars. He was in Monza in Italy to see the Formula 1 race with Klaus in September - Klaus is just as crazy about Formula 1 cars. Frederik used to be a Ferrari fan, but now he seems to favour Jaguar and BMW racing cars.

Nikolaj, the second grandson of the family, likes lawn mowers. Can you imagine ? I had to buy him a new manual mower - a small one - this spring and he has been mowing Klaus' lawn - not mine unfortunately - ever since. But as I usually say: "As long as they only have good and healthy hobbies"

We have had **Laura** and **Olivia** staying with us for several days in a row. That is an experience and a nice but tiring one. But what fun we have. Wonderful, wonderful. These girls are doing very well, and Olivia, now 3 years old, has started in the kindergarten. To stay for some hours in their respective kindergartens when you take the girls or pick them up is a completely different world. But nice, very nice.

Unfortunately, Morten had his 15-year-old dog, Mathilde, put to sleep. Great sorrow and grief in the family. In such a relatively small family even the dogs are close members, and therefore, we are all sad when one of our dogs passes away. Mathilde was replaced by a real volcano, Monik. She is wild, cute and wonderful - she has a few things to learn, but she will make it (maybe) - the question is only when ?

BURTON GMBH

Our sales of the **BURTON** barrier bricks **alubar** are a success story. The sales are growing and the demand for larger sized barrier blocks like for instance the maximum size of 500 x 500 mm is constantly increasing. Many smelters in and outside Europe have permanently changed their pot designs to include these large shaped barrier blocks. Of course, there could be or is a handling problem with such large blocks, which easily weigh 30 kilos each or more, but as we also supply our **octopus** pneumatic lifter either at a very attractive price or free of charge the handling problems can be reduced or completely eliminated.

Of course you have to install a jig (frame) on the top of the pots to be repaired, but once the jig (frame) has been put up our **octopus** lifter will save the potrelining staff for many sore backs and also save time for the smelters when installing the refractories, as the **octopus** can conveniently be used for placing the **sicateg 75** Silicon Carbide blocks in the side and end walls.

BURTON has recently installed a brand new press, mainly to produce **alubar** bricks and blocks. Next year **BURTON** is budgetting to install new equipment to facilitate the handling of the large **alubar** blocks, meaning a higher and more rational and efficient production of such large sizes.

We have secured several very large contracts of 2 to 5 years' duration for **alubar** blocks/bricks, and we can also provide you with an attractive offer with several years' validity.



Audit at BURTON: Karl Forslund, Process Engineer, ELKEM Lista, Gerold Friedrich, Quality Manager, BURTON, Jac Salvesen, Purchasing Manager, ELKEM Lista, and Morten Sørli, Corporate Specialist, ELKEM R & D, Kristiansand.

The sales of our **perial** flue wall blocks are growing. The price is not always the cheapest, but I can guarantee you that if the **perial** blocks are compared with practically any competitor's product you will notice that the **perial** is probably the best flue wall brick in the world.

We firmly believe - and always did - that quality will always be the key word for any consumer of refractories, and it has shown in the past that this philosophy is correct.

Whilst still with **BURTON**, Dr. Wolfgang Walz developed a new and very cryolite resistant barrier brick. See our circular letter dated September 2001 enclosed the printed paper given by Dr. Walz during the TMS in New Orleans this year (further copies can be obtained from us). We have just started marketing this brick under the brand name

alubar 1600 S

This barrier brick has been tested by SINTEF in Trondheim, and it has been determined that this brick has a better cryolite resistance than any other **alubar** product. We state a cryolite resistance of the **alubar 1100** bricks/blocks to be ≤ 4.5 according to the SINTEF test method.

The SINTEF test on our **alubar 1600 S** shows a value of ≤ 2.5 . In our data sheet we state ≤ 3.0 as the Germans want to be "on the safe side" and not promise more than can be kept, which is also a correct attitude.

So you will see that the **alubar 1600 S** is more cryolite resistant than the **alubar 1100** bricks/blocks.

During the last month I have participated in making a film together with **BURTON** showing their entire production of refractories for especially the primary aluminium industry and also showing the installation of the large shaped blocks into pots at the CORUS smelter in Voerde. We are grateful for the openness shown to **BURTON** and us by CORUS and for their assistance in making this very informative film, which we shall have the pleasure of showing you during our coming visits to your plant.

The film has been printed on a CD, so copies of this **BURTON** film can be required from us and can easily be mailed to those of you who may want a copy.

ISOLITE

When doing business with **ISOLITE** we have generally been dealing with a close friend of mine, **Toshikazu (Tony) Tanaka**. Tony has recently been appointed Director & Vice General Manager - Manufacturing & Technology Head Quarter, and therefore, Tony gets out of the day-to-day business with us. We congratulate Tony on this well-deserved appointment.

We are marketing the **ISOLITE** insulating firebricks - **twenty-3**, **twenty-5** and **twenty-6** plus **jai-130**. These products are all meant for usage as back-up linings in anode bake furnaces being it of ALESA, PECHINEY or RIEDHAMMER design.

For further information please check our catalogue or consult our homepage www.simonsen-sons.dk

MOSCONI

Our Italian friends, **MOSCONI SRL** of Annicco are also doing very well. Their order books are full, probably because they produce some excellent bricks at competitive prices.

As our clients need more and more **MOSCONI** bricks, mainly the standard quality *msb-450*, **MOSCONI** has decided to build a new furnace, which will start operating before the end of this year. This means an increase in the **MOSCONI** production of some 20-25%.

Our clients probably and we definitely appreciate this increase in the **MOSCONI** production.

The **MOSCONI** production now includes 5 different grades of bricks. **MOSCONI** and we can therefore meet any requirement for any kind of insulating Perlite bricks. Furthermore, after the furnace expansion **MOSCONI** will rationalize and automatize their grinding facilities, as ALL bricks for any of our clients are always grinded on 5 faces with a tolerance of ± 1.0 mm on all dimensions.



Grinding machine.



*Three charming ladies
from the Mosconi staff:
Leonilda Bianco, Laura Mainardi
and Anna Bertolotti.*

CALCIUM SILICATE BOARDS

For quite a while we have been facing some delivery problems regarding orders for Calcium Silicate boards. That was a very unfortunate situation and was exclusively due to the fact that **CAPE CALSIL** of UK was moving the entire production from Washington, close to Newcastle, to Glasgow in Scotland. This move caused several problems logistically and delayed the production by several months more than originally anticipated. However, we got through this tough time and many problems without "too many scratches", and so did our clients, which was the most and only real important issue to us.

After consultations with **CAPE** the situation has now become normalised, but we shall guarantee always to make sure that *any* commitment we have taken upon us by confirming orders to any client will always be fulfilled, and we guarantee that any Calcium Silicate board we supply always meets our standard technical data for **insulite 1900** in all respects.

I take this opportunity to thank all our Calcium Silicate clients for their understanding and positive attitude in helping to have the problems settled in a good and positive way.

You are in production yourselves, and you know that when humans are involved mistakes can and will sometimes take place, but the important thing is to solve any problem efficiently and fast. However, it irritates me that we cannot always be perfect. But the chain is only as strong as the weakest link, and we are never better than the performance of our suppliers.

Therefore, we keep in close contact with our suppliers and make many audits every year at their plants to inspect their quality, packing, marking etc.

VERMICULITE BOARDS

We have 2 suppliers of Vermiculite boards. One is

THERMAX GmbH, Austria

producing only our standard quality **vermilite 2000**, which is the *light* Vermiculite board.

THERMAX has probably the most modern and efficient production of Vermiculite boards in the world today. Their way of producing is very different from that of other producers, but the quality is second to none and so is the quality control and way of packing the boards.



Thermax Cutting Equipment

The second supplier is

KRAMERPROGETHA GMBH & CO., Germany

who exclusively produces the *heavy* Vermiculite boards **prolite**. These heavy Vermiculite boards are a standard part of a particular pot design including various types of insulating boards.

The **prolite** quality is first-rate and so is the quality control. The product has been approved by various end-users.

KRAMERPROGETHA is also ISO-9001 certified.

LIRR

The sales of our Chinese Silicon Carbide Bricks, nitride bonded, are also a success story. Sales are constantly growing, and also for this product we have secured several large orders of 2 to 5 years' duration.

The demand has been growing so much that the board of Directors of **LIRR** has decided to **DOUBLE THE PRODUCTION** as from mid 2002. The construction will start end this year, and the new plant will be inaugurated in September/October next year.

When the new expansion has been completed, **LIRR** will probably be one of the largest - if not *the* largest - producers of Silicon Carbide blocks in the world. Today **LIRR** produces approx. 55 percent of all Silicon Carbide products manufactured in China. However, the **LIRR** sales are close to 70 percent of the entire Chinese production because not all producers can sell their product, which is quite obvious as practically no one else than **LIRR** in China has such a strictly controlled production both concerning raw materials and the finished product, and again **QUALITY** and **RELIABILITY** are the key words to our "Chinese" success.

Our Chinese associates are very reliable when it comes to deliveries. For several years we have not experienced any delay in any delivery promised to any of our clients. As at the same time we only ship our goods by first class internationally well-known shipping lines, our clients can always rely on our delivery times.

Packing and tolerances are also chapters of their own for the **sicatec** blocks. Both packing and tolerances are so good that our clients also for these two important issues always praise us.

ELKEM performed an **audit** in September this year by Dr. Morten Sørli and Mr. Jac Salvesen. It is needless to say that **LIRR** got a very good rating from our Norwegian friends.

For many years **Professor Wang Jinxiang** was the President of **LIRR**. He has become a close friend of mine. Mr. Wang has always been listening to what I had to say - often it was a lot - and Mr. Wang was also very visionary, and he was the man behind the expansion last year.

Mr. Wang wanted to get a less responsible position as he is growing older, but it was obviously difficult to find his successor, as there are many very qualified people in the **LIRR** organisation. However, recently it was decided that the new President should be **Ms. Li Hongxia**, who is a relatively young lady - only 36 years old - and who by the way is married to "our" **Professor Zhao Junguo**, the Plant Manager of the Silicon Carbide plant.

During the TMS meeting 2 years ago in Nashville Mr. Zhao gave a paper, and also this year he gave a paper during the Australasian Aluminium Conference in Melbourne mid November. For your information we enclose a copy of this year's paper, "Comparison of Cryolite Resistance of Silicon Carbide Materials". Some of you know Mr. Zhao already. He is a little bit worried now being married to the President of **LIRR**, who is a very busy person, that he will have to do more work at home. Like any other man he is not too keen on housework. Who is ?

This year **LIRR** has developed a special glue, **sica-glue**, for gluing **sicatec** blocks together with carbon blocks. This **sica-glue** enables any smelter to do the gluing themselves.

In the 2000 issue of this publication I indicated that **LIRR** was expected to achieve their ISO 9001 approval towards the end of last year. **LIRR** succeeded - of course - and is a fully approved ISO 9001 supplier.

PRODUCT PRESENTATIONS

We have started giving presentations to many smelters and technical departments of aluminium group head offices about **LIRR**, their production and quality & production control of Silicon Carbide blocks, nitride bonded, as well as our mutual activities, and I think that these presentations have contributed even on a small scale to making many persons within the aluminium industry understand more about China and the efficient and highly professional way in which many Chinese companies are working.

We also present a brand new CD with a film showing the **BURTON** production and the application of their products in the aluminium industry. This CD shows the excellent production facilities at **BURTON** in Buer, which many of you have had a chance to see already.

We are expanding our presentation activities in the years to come, and we shall come around to see you all, as no one should miss the opportunity to meet the Sino-Danish group.

PACKAGE SOLUTION

Our "package" philosophy works excellently. No other company offers such a package worldwide with such fine products as we do. Also our service is kept at a very high level, and we always respond fast and efficiently to any enquiry, delivery request etc. Furthermore, we act as consultants for many smelters, when products are needed which we do not market, in which case we assist in finding the right supplier for the material in demand.

NEW PRODUCTS

We strive to market at least 1 or 2 new products every year. But such products are only for usage in electrolysis furnaces or anode bake furnaces. We are very selective when choosing products for our package, as any new product must always be complimentary to our present products.

CATALOGUE

Our new catalogue has now been distributed worldwide. However, all our data sheets can also be seen on our homepage: www.simonsen-sons.dk.

ALUMINIUM PRICES

I have been stupid enough to try to predict aluminium prices in the past issues of the Dynasty Update. How stupid can I be ? I relied partly on some of these very international companies and all their analysts. May "a certain creature" take all these specialists and bring them to a very hot place.

Last year I wrote that the aluminium prices would probably be around USD 1,600 to 1,700 per metric tonne towards the end of this year. Just before I started writing this 2001 version of the Dynasty Update I had my usual morning coffee, a glass of freshly squeezed orange juice and a pipe of tobacco while reading my paper. The first thing I look up every morning is the value of the USD against the Danish Krone and the 3-month price for aluminium according to the LME. This morning the price was USD 1,328 per metric tonne.

I can only say that we must all hope that aluminium will soon be back at its previous price level of at least USD 1,500 to 1,600 per metric tonne. Agree ?

ALUMINIUM DEMAND

What will happen to our industry because of all this international unrest ? I don't know. No one knows. But if and when the airlines have fewer passengers, fewer new planes will be needed. However, as only approx. 3% of the entire production of aluminium are used for building planes, these highly profitable sales will not have so big an impact on the production but on the average sales prices and profit due to the higher prices achieved from this pretty lucrative market mainly served by ALCOA (Boeing) and ALUMINIUM PECHINEY (Airbus Industries) according to Financial Times, November 2001. Reduced sales of cars could affect the industry more, but at the same time as the production of cars might be reduced, the consumption of aluminium for car construction is going up, so these two factors may equalize each other.

I think that the aluminium industry might face some problems. Especially the smelters that do not produce at reasonable costs. Maybe it is also good every now and then to have a clean up in any industry. However, there has already been a production reduction of some 1.5 million tons in the States, as several smelters mainly in the North West prefer selling their power to the State of California to producing aluminium. It is obviously much better business to sell electricity than to produce aluminium. But this demand for and lack of power in California help many smelters in and outside the US to stay in business and possibly to avoid production cuts, so maybe even some recession may not have that much impact on the industry worldwide.

Also in Brazil we have seen production being reduced or closed down recently due to energy problems.

ALUMINIUM SMELTER COST TREND ANALYSIS

According to an article in the April/May issue of ALUMINIUM TODAY the average cash cost of primary aluminium production in 2000 was USD 1182/tonne and rose by USD 60/tonne or 5.4% over the previous year. The increase was almost entirely due to increase in the price of alumina and, to a lesser degree, of electricity, related to a 14% increase in the market price of aluminium. Modest saving in labour costs were outweighed by an increase in the cost of anode raw materials associated with rising petroleum prices.

In 2001, the idling or closure of a number of high-cost older-style potlines and the full commissioning of two large new modern smelters, Alma in Canada and Mozal in Mozambique, is reducing the contribution that costs make to the average cost of production.

These capacity switches contribute to the progressive displacement of the older style Soderberg anode technology by the use of prebaked anodes, a historic movement which is contributing to improved environmental performance by the industry, reducing both emissions and power consumption.

The consolidation of the Russian industry gives it a bargaining power which is forcing substantial falls in the cost of electricity to at least two of Russia's largest smelters this year, and thus driving down that country's average cost of production.

The average cash cost of producing primary aluminium is falling in real terms, a phenomenon exhibited by commodities in general.

The 40% of United States aluminium smelting capacity, which resides in the Pacific North-West states, is going through a crisis. Smelters are finding it more profitable to re-sell contracted power into a chronically under-supplied electricity market than to produce primary metal.

The smelting industry in the United States is rapidly contracting owing to a substantial rise in the cost of electric power in the Pacific North-West. Since mid last year, 1.14 million tonnes of smelting capacity has been idled. This is nearly 69% of the region's capacity, and 27% of the smelting capacity of the entire USA.

INCREASED OUTPUT PER POT

These years we see a lot of smelters "boosting" their production by increasing their amperage, and as a natural and necessary consequence these smelters must change their pot constructions. Therefore, the demand for [sicatec 75](#) is increasing, as Silicon Carbide bricks are in many cases completely replacing the sidewall carbon blocks.

We shall make sure that any refractory for usage in existing pots, retrofitted pots, or completely new pots will always be of the highest standards to make our contribution to the aluminium industry for you to achieve long pot lives and good pot performance resulting in a more economical production.

THE US DOLLAR

Last year I predicted, after having consulted our bankers, Danske Bank, Aarhus, that the Dollar would have a value equal to DKK 7.37. This prediction failed. Anyway, the Dollar has fallen lately, so today it has a value of

around DKK 8.00, a drop of some 9 to 10 percent within the last 3 months. This of course means lower oil costs, but it also makes our Chinese Silicon Carbide bricks more attractive to clients outside the US. You may know that the Chinese Renminbi (CNY) always follows the Dollar (up and down). What further happens to the Dollar I shall NOT guess about, but the international political situation could have a negative impact on the value of the Dollar, and it is predicted that it will drop further making US goods more competitive outside the US and thereby helping to stabilize the economy in and outside USA, which is very important for the entire world economy.

The G7 obviously wish to do everything in their power to prevent an international financial crisis, so the present unfortunate situation might not be so critical anyway. But we shall see. Things change fast these days, and we can only hope and work individually for the best for all of us. We should never lose our faith in the bright future of mankind, and above all we must always remain optimistic.

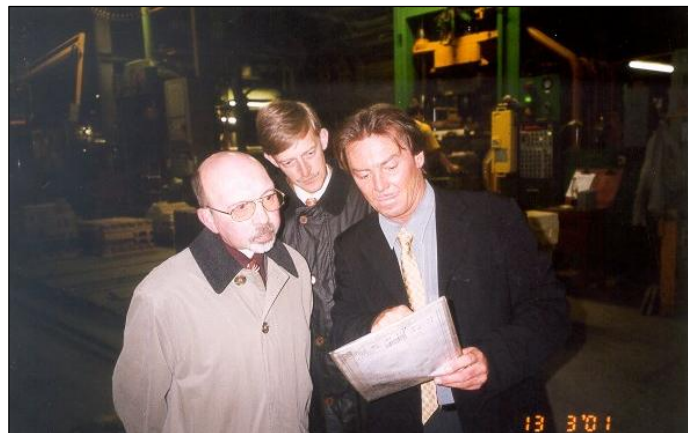
THE EURO (€)

The € is being introduced as from 1 January 2002. Denmark wanted to stay outside this new currency, which I believe will soon be an equivalent currency to the US Dollar. This means that we Danes shall continue using our Danish Kroner like the Swedes will still have their Swedish Kronor and the English their British Pounds. But I think that it won't last many years before all we Europeans have one currency, which is of course also preferable. We have already started offering and getting paid in Euros. For instance, our bankers have already for a long time automatically changed the payments we have received from our clients in German Mark into Euros.

AUDITS

VAW ALUMINIUM

This year we have had several audits made by various aluminium groups to our suppliers' plants. The first visit was made by VAW at **BURTON** in Germany. The photo shows Dr. Detlef Vogelsang and Dr. Ingo Eick from VAW, Bonn, and Dr. Wolfgang Walz from **BURTON**. An interesting day for us all, and I believe that the two gentlemen were very impressed by what they saw at the **BURTON** plant.



ELKEM ALUMINIUM

Also ELKEM made an audit at **BURTON**, and needless to say that again **BURTON** got a very good rating. The same happened when ELKEM made audits at **THERMAX**, Austria, and at **LIRR** in Luoyang. Everywhere ELKEM expressed their satisfaction with what they saw, and all our producers got excellent ratings.

BAYSIDE ALUMINIUM

In June BAYSIDE Aluminium, Richards Bay, Natal, South Africa, audited **BURTON**, Germany, and **MOSCONI**, Italy. Again our guests were impressed by the production facilities. The visitors were **Willem van Rijswijck**, Procurement Manager, **Rudi Meyer**, Specialist Buyer - Raw Materials, and **Ronell Vermeulen**, Legal & Procurement Specialist.

In September we had another visit from BAYSIDE, who also wanted to inspect the BURTON production of various refractories, but especially they wanted to see the production of our flue wall quality **perial 44** and **46**. The visitors were: **Mr. André A. Dart**, Maintenance Specialist - Carbon Plant, **Mr. Adriaan Coetzer**, Procurement Specialist Buyer, and **Mr. Douglas Makhoba**, Superintendent Operations - Carbon Services.

HYDRO ALUMINIUM

Another audit was made by HYDRO, Sunndalsöra, Norway, at **LIRR** in Luoyang in connection with the order we have obtained for a very large quantity of **sicatec 75** Silicon Carbide blocks for the new 224 pots (project SU 4), which will be initiated early 2002. The gentleman visiting **LIRR** was **Mr. Sverre Enger**, Senior Purchasing Consultant, Sunndalsöra.

DUBAI ALUMINIUM CONTRACT

Klaus and Morten were in Dubai this summer to conclude a long-term contract with DUBAL for various refractories. One of the largest contracts secured during our nearly 18 years in business. After the negotiations the below photo was taken.



Abdulaziz Ahmed Abdulaziz, Senior Buyer, Morten, Abdullah A.A., Head of Purchasing, and Klaus.

VISIT TO SLOVALCO THE SLOVAK REPUBLIC

End August Morten and I paid a visit to SLOVALCO in Ziar nad Hronom, Slovakia. Over the years we have established a good and close relationship with the Slovaks working in this very fine smelter.



*Ján Varsa, Production Director, Morten, and Pavol Hercko, Purchaser.
Milos Koniar, Potline Manager, Kamil Skladan, Potline Process Engineer, Jozef Ot'apka, Specialist - cathode relining, and Milos Cert'aský, Head of Maintenance Department.*

After our negotiations during the last visit, many of our friends from the smelter invited us to a neighbouring town called BANSKA BYSTRICA. In the square of this town I took a few photos showing the "delegation" from SLOVALCO and me, and a photo showing some of the beautiful old buildings in Banska Bystrica, which are very well maintained. There are still a lot of fantastic places in this world you never heard about.



Visiting East European countries is never dull. We know the people in this part of the world to be very open, kind and hospitable, and one never has a boring moment when visiting these countries.

VISITS TO CHINA

Marianna and Hanne from our office made a trip to China early this year. They are handling most of the orders for **sicatec 75** Silicon Carbide blocks out of China and also all the shipments, so they had to go and see the LIRR production and meet some of the shipping people in China, as we put much importance in having our staff visit the various suppliers and shipping companies regularly. In this way they get to know the products, the packing and they meet the people involved on a day-to-day basis. They also meet the shipping people, to whom it is important for us to have a good relation in order to ensure delivery in time and a good service to be rendered to our clients, our suppliers and to us.



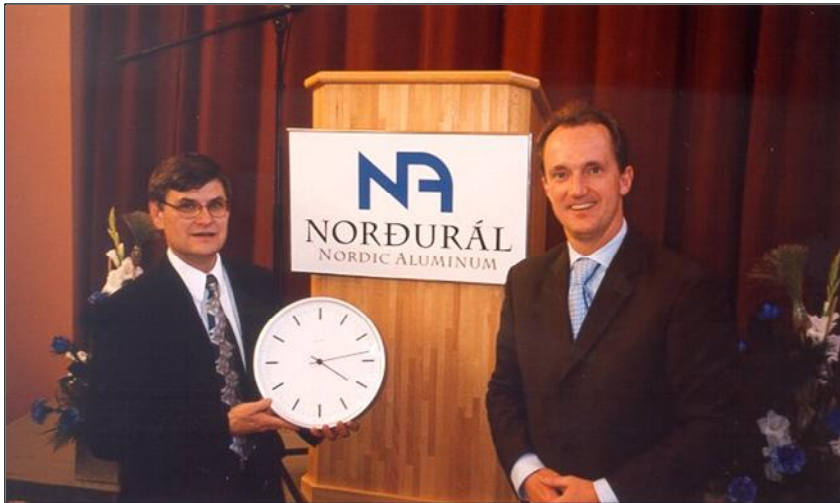
Ms. Lifang, Hanne, Marianna, Ms. Wu, and Ms. Wang

Besides **LIRR** we have a producer of **sicapowder**, which is a Silicon Carbide powder used as filler in some types of electrolysis furnaces. Some of my friends from **LIRR** and I visited this supplier.



At the left you see Ms. Lifang, and as number 4 you see Mr. Ruanbo and me - yes, you are right, I am the tall guy in the light jacket. We had a nice meeting with this company and appreciated their hospitality. We had a wonderful lunch. Happy people. (Please read the text on the banner)

NORDURAL INAUGURATION



On Saturday 20 October 2001 Morten was invited to participate in the official ceremony in connection with the NORDURAL inauguration of the Phase II expansion, adding some 60,000 metric tonnes to the plant capacity, which is now totalling approx. 120,000 tonnes.

It was a beautiful event and arrangement. We are proud to be one of the suppliers to such a fine smelter and group of people.

Ken Petersen, owner of NORDURAL and President of CVRD together with Morten.



The NORDURAL smelter placed in the beautiful surroundings.

CONFERENCES

As usual we have participated in various conferences during the year:

The TMS Conference in New Orleans, USA, February 2001.

Participants: Klaus, Morten, Jørgen, and Henrik.

Metallurgy of Light Metals at the Turn of the Century, Saint-Petersburg, Russia, September 2001

Participant: Jørgen

The Arabal Conference in Dubai, United Arab Emirates, November 2001.

Participant: Jørgen.

The Australasian Aluminium Conference in Melbourne, Australia, November 2001.

Participants: Klaus, Morten, Neal Wai-Poi, Professor Zhao Junguo and Professor Ruanbo from LIRR.

Refractories in the Aluminium Industry in Haugesund, Norway, November 2001

Participant: Klaus

VISITORS

HYDRO ALUMINIUM

During the year we had the pleasure of welcoming many guests from various aluminium companies around the world, who came to see us in Nykøbing. In March we were visited by HYDRO, Norway.



Klaus, John Reiter and Kai Helge Kjørnås, Høyanger, Sverre Enger, Sunndalsöra, and Oddbjørg Hagen, Aardal.

BAYSIDE ALUMINIUM

In June we had a visit from BAYSIDE, South Africa.



The visitors were: Ronell Vermeulen, Rudi Meyer, and Willem van Rijswijk.

ELKEM ALUMINIUM

In August four gentlemen from ELKEM visited us.



Jac Salvesen, Morten Sørli, Karl Johansen, and Toralf Tobiassen.

LIRR

End September our Chinese friends visited us in connection with a round-trip in Europe to see various smelters and give a presentation of the LIRR Silicon Carbide products and to have a few good dinners!



Helle, Ruanbo, Marianne, Zhao Junguo, Neal, Hanne, and Morten.



I think that my good friend Alf Harry Baadsvik had arranged that upon the delegation's arrival to the **HYDRO** Karmøy smelter the flags shown above, namely the **HYDRO** flag, the Chinese, the Danish and the Norwegian flags greeted us. The flags are seen clearly against the background of the dark skies. It was a stormy and rainy day. This is a real nice way to welcome your guests, and it is always very much appreciated. Many warm thanks to **HYDRO** and especially to Alf Harry.

COMALCO ALUMINIUM

We were very happy for the first time to see our good friend from COMALCO, Australia, **Mr. Brian Liston**, Refractories Group Manager, and his wife **Ann** here in Nykøbing.

Brian visited our office in October, and it was nice also to greet Brian here in this part of the world after so many visits to see him in Melbourne.

DANSKE BANK

Our bankers, Danske Bank, Aarhus, pay us a visit every spring. As we are doing very well, the banking people - I believe - come to hear the good news and to have some nice hours with the Dynasty. It is never boring. One must always keep on good terms with any supplier, which a bank actually is to us. It is important to have good personal relations in case "something" some day hits the fan



Peter Wethje and Gitte Gad from Danske Bank, Klaus, and Morten.

CHINA

As a close friend of China and having many friends in China it is encouraging to see the many positive things happening in this very exiting country. China has become a member of The WTO (World Trade Organisation), China was awarded the Olympic Games in 2008 (I have reserved tickets for the opening ceremony), and China qualified for the Football (Soccer) World Championships in Japan and Korea during June 2002. I firmly believe that we need this huge and great nation with its some 1.2 billion inhabitants as an equal partner in the world society, and I fully understand the joy in China among the Chinese themselves for having been accepted fully by the outside world.

A NEW PRESIDENT

As from 1 September 2001 **Ms. Li Hongxia**, married to Professor Zhao Junguo, was appointed president of **LIRR**. I met this young lady on my recent flight from Beijing to Luoyang and later in the **LIRR** offices for an official meeting. The below photo was taken of President Li and Professor Ruanbo.



Ms. Li and I assured each other about our mutual commitment to each other and our strong wish to stay in business together for many years to come. The production expansion as already decided by the **LIRR** board was discussed, and it appears that the next new plant can be extended to produce in 18 furnaces giving a total production of plus 10,000 metric tonnes if all 28 furnaces are in operation. At the beginning only 10 of these new nitriding furnaces will be commissioned thus giving a total production of some 7,000 to 7,500 MT as from mid 2002, namely approx. 3,600 MT in the existing plant and a similar quantity in the plant to be built.

From Simonsen we all look forward to cooperating with President Li and her colleagues. We also warmly congratulate President Li to her appointment.

SPONSORSHIPS

As you may know from previous issues of this publication we are sponsoring many various things, but mainly Animal Protection.

Football

We are also sponsoring Frederik's football club FLUIF (I shall save you from telling what this abbreviation stands for). Klaus had arranged that we pay a full set of T-shirts for 2 teams, and Frederik is very proud of playing in a shirt with his own name Simonsen. On the below photo you will see Frederik standing next to the coach.



Parachute Jumping

In Ptuj in Slovenia, the city closest to the Slovenian smelter in Kidricevo, where I always stay during my visits to TALUM, we are sponsoring the PARACHUTING TEAM of AK PTUJ via Zlatko Cus, the Production Manager of TALUM, who is also the President of the Parachuting Club. This small club has obtained many fine international awards and some of their members have often become number 1, 2 and 3 in the world in parachute jumping.

Again this year we sponsored the Parachute Club enabling the club to send a team to the World Championships in Spain where they won a 5th place in ladies' parachute jumping, which is an excellent result considering this team's very low average age compared to that of the competing teams. The older the jumpers, the more experience they have, of course.

We are proud to sponsor this small but very successful club. In this way we support some young people having a good time enjoying their sport.



*These fine young, sporty ladies were also equipped with **simonsen**[®] T-shirts, which you will see from this photo showing the lady-team ready to get airborne for a new jump into the blue, Slovenian skies.*

A LONG-TIME FRIEND AND BUSINESS PARTNER

On the 30 February 1954, after finishing my school, I applied for a job in a shipping and forwarding company in Randers, the city where I was born, on the east coast of Jutland, in a company called ARNE FODE. I was just about to pass my final examinations and therefore needed a job. The job I wanted was within shipping and forwarding, as I was pretty good at languages and I believed that it was optimal to get a job in a company where one would be dealing with the world and not only do business in Denmark. I got the job, and I started in the company on the 1 April 1954 as a student for a 3-year education.

The first day in my job I was presented to Mr. Christen Verner, who at the first glance seemed to be a tough guy, so at the beginning I had a lot of "respect" for him, but I was also very young at that time, only 17 summers old, and had a lot to learn. Christen soon became a very good and strict teacher, and he above all taught me to work hard and professionally. At that time one also worked from 8 to 12 on Saturdays. Meaning a 6 days week.

I attended evening school 2 nights a week, and it was at one of these classes I met Tove, my wife for the past 43 years. She was very good at mathematics. I wasn't. So when we had mathematical homework to do, she did it for me, and she has by the way been supporting me ever since.

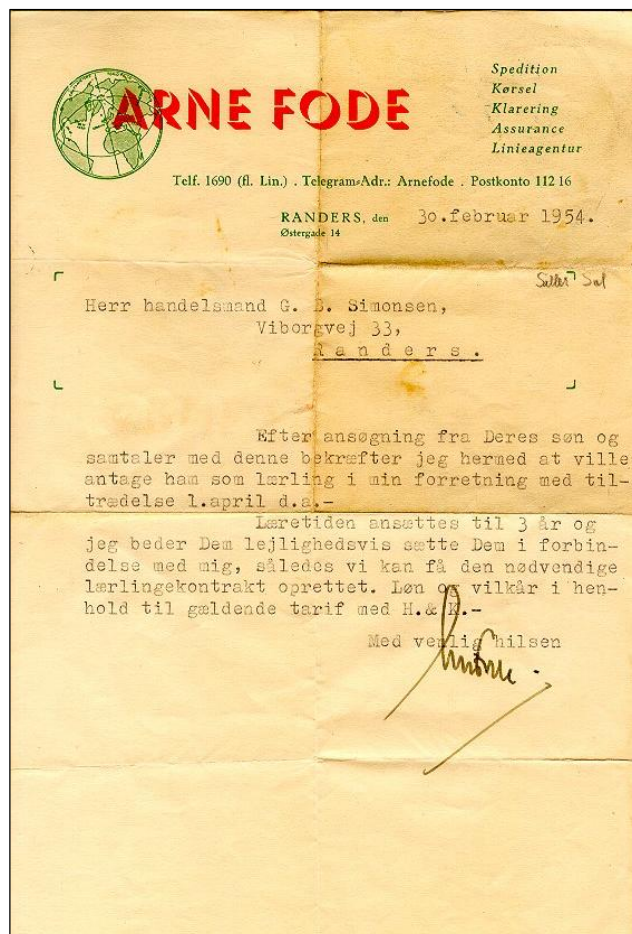
During the summertime I was practically on the harbour every morning at 6 o'clock to see if any German or Dutch vessels had arrived that needed a company to handle the customs' clearance. I was always the first on the harbour. So you realise I was working many hours and very hard, but I loved it.

After having finished my shipping education I became a soldier in the Royal Danish Lifeguard. After my service to the Royal Family I went into shipping again and continued my career in various companies, but always, irrespective in which company I was handling the export and the shipping, I kept close contact to Christen, who was serving me and the companies I worked for in an excellent way for many years. He is very efficient. Yes, I say he *is*, because Christen is still doing business with our company. Everybody likes him, not least Klaus and Morten. Klaus has been working in Christen's company for some years before we started our own company.

This fine gentleman has now become a close friend of mine and of the family, and so has his wife Anna. I visited Christen during this summer and took a photo of Christen, with whom I have now been in business for more than 48 (forty-eight) years. Isn't that unbelievable.



Christen reading the 2000 Dynasty issue.



My first contract of employment addressed to my father.

GOOD FRIENDS

During my last visit to CORUS, Voerde, Germany, a photo was taken of me and **Bernd Rolofs**, who is a long-time friend of mine.



Before the photo was taken I had to put on my jacket, as Bernd didn't want to have a picture taken with him sitting next to a guy wearing suspenders I obeyed, of course.

Another good friend of mine, **Gernot Albersdoerfer** of RIEDHAMMER, retired earlier this year. I was invited for his farewell party in Nuremberg. That was a nice party and I hope that Gernot will have a real nice retirement together with his wife. I also hope he will send a few thoughts to Nykøbing when reading this issue of the Dynasty Update. I think of you pretty often, Gernot, and I shall give you a ring when I come close to Nuremberg again. We must share at least 2 beers.

Dr. Wolfgang Walz

Wolfgang, whom many of you know very well, decided to leave **BURTON** as from September this year. Wolfgang has started his own company called WWC (WOLFGANG WALZ INDUSTRIAL CERAMICS) and acts as a consultant. It is obvious that we shall continue our close cooperation with Wolfgang in the future as we consider Wolfgang to be *the* European capacity when it comes to refractories for the primary aluminium industry.

LOSSES

Early January I learned that a very good, long-time friend of mine, **David Roberts**, Purchasing Manager at ANGLESEY ALUMINIUM in Wales, had suddenly passed away. Such a sudden death gives you food for thoughts. David was in his mid 50's and obviously very fit and a real nice gentleman. It is not pleasant news to get, that's life, but still David passed away too early, and I miss my frequent telephone conversations with him. It was always much fun, and I keep some very pleasant memories of a good man and a good friend. David was one of these crazy guys who could say and do the most unexpected things. He made life worth living. God bless him.

On Monday morning 22 October before leaving for a trip to China I was informed by some of my friends from Richards Bay, South Africa, that one of my very good friends had passed away. **Hans Kaiser**, the former technical director of ALUSAF had died from a stroke the night before. Hans was a real gentleman and a perfect representative for ALUSAF ALUMINIUM and for his country. Always elegant, noble and happy in his appearance. I fortunately spent many hours in Hans' company and it was a pleasure every time. Hans was also a very good singer, and many are the dinners during which Hans entertained the party with his singing. It takes some voice to sing "Im tiefen Keller" perfectly. Eline, his wife, has lost a good husband, and I plus the "dream-team" have lost a very good friend. God bless Hans.

DESTINATION: ICELAND

In a Sunday paper some months ago an Icelandic writer, Hallgrímur Hegason, made a short story about the Icelanders. It was very ironic and very funny, and one could hardly believe that he was an Icelanders himself considering what he was writing. With the "kind permission" of Þórarinn Sófússon, ISAL, Iceland, I quote part of the article about why the Icelanders like to work in the aluminium industry. This should be and is a sober publication that can be read by anyone from 8 to 80 years of age. Therefore, when writing something about the Icelanders - our very good friends - we must take care not to upset anyone.

Nature protection is a very strange thing. Probably it is pure conservatism. And now it is being used against the government's plans to build the biggest power station in inner part of the Icelandic highland north of Vatnajökull, in the history of Iceland. This power station shall supply a new aluminium plant with electricity, a plant, which is going to be built in the eastern part of Iceland.

In spite of attempts to produce software, artificial limbs and fish farming, aluminium plants are the only things that appear obvious to Icelandic bureaucrats when the business sector is going to be pepped up. And people in the eastern part of the island are crying for aluminium plants. For an Icelanders it is a dream to work in an aluminium plant because it is so nice and warm in the pot rooms. The Icelanders have stopped working in cold stores a long time ago. Only foreigners work in the icy cold stores, and of course working outdoors is the most unpopular thing in Iceland.

But the highland fascists in the capital of Reykjavík, who all work in cosy and pleasant offices, deny the people in the countryside to warm their faces at the furnaces in the aluminium plants - in the name of nature protection, the new religion on our mountain.

A BIRDCAGE

My wife was also invited for the inauguration of the new **LIRR** plant in Luoyang end September 2000. She wanted to buy a Chinese birdcage as a decoration for our home. President Wang from **LIRR** heard about this wish and arranged to have 2 birdcages purchased as a gift for my wife.



These birdcages were presented to me in the **LIRR** meeting room, and I think that the photo with the **LIRR** President and the 2 birdcages is really nice. The cages are now in Nykøbing. They are very decorative, and every time I look at them I always think of my friend Mr. Wang.

The meeting room was decorated with the Chinese and the Danish flags, which you will see from this photo where Klaus and I are studying one of the cages.



IMPROVEMENT OF THE ENGLISH LANGUAGE WITHIN THE EUROPEAN UNION (EU)

The European Union commissioners have announced that agreement has been reached to adopt English as the preferred language for European communications, rather than German, which was the other possibility. As part of the negotiations, Her Majesty's Government conceded that English spelling had some room for improvement and has accepted a five-year phased plan for what will be known as EuroEnglish (Euro for short).

In the first year, 's' will be used instead of the soft 'c'. Certainly, civil servants will receive this news with joy. Also, the hard 'c' will be replaced with 'k'. Not only will this clear up confusion, but typewriters can have one less letter.

There will be growing public enthusiasm in the second year, when the troublesome 'ph' will be replaced by 'f'. This will make words like 'fotograf' 20 per cent shorter.

In the third year, public acceptance of the new spelling can be expected to reach the stage where more complicated changes are possible. Governments will encourage the removal of double letters, which have always been a deterrent to accurate spelling. Also, all will agree that the horrible mess of silent 'e's in the language is disgraceful, and they would go.

By the fourth year, people will be receptive to steps such as replacing 'th' by 'z' and 'w' by 'v'.

During the fifth year, the unnecessary 'o' can be dropped from words containing 'ou', and similar changes could be applied to other combinations of letters. After this fifth year we will have a reliable sensible written style. There will be no more troubles or difficulties and everyone will find it easy to understand each other. The dream will finally come true.

DID YOU KNOW

When America's first president, George Washington, was running for public office in Virginia in 1758, he distributed beer, wine, cider or rum to every voter in the region. He was elected.

It was a tradition in Babylonia 4,000 years ago that for a month after the wedding, the bride's father would supply his son-in-law with all the mead he could drink. Mead is a honey beer, and because their calendar was lunar based, this period was called the "honey month" or what we know today as the "honeymoon".

THAT'S ENTERTAINMENT

Junior Chamber, Denmark, had their annual meeting in Nykøbing early October with approx. 1,000 participants. Morten was the toastmaster. One of Morten's very good friends, Peter Hansen, is a professional entertainer, and he was hired to perform his show. Peter is an excellent entertainer and singer. Morten, of course - also being kind of a singer - participated in part of Peter's show, doing a Frank Sinatra singing and dancing act.



Morten's and Peter's performance with part of the "big band" in the background.

SAYINGS

I pity people who don't drink.
When they wake up in the morning,
that's the best they feel all day.
(Frank Sinatra)

He was a wise man who invented beer.
(Plato)

Beer makes you feel the way you
ought to feel without beer.
(Henry Lawson)

The church is near, but the road
is icy. The bar is far away, but
I will walk carefully.
(Old Russian Proverb)

Bart, a woman is like a beer.
They look good, they smell good,
and you'd step over your own
mother just to get one!
(Homer Simpson)

GREAT TRUTHS ABOUT LIFE THAT LITTLE CHILDREN HAVE LEARNED

- No matter how hard you try, you can't baptize cats.
- When your mom is mad at your dad, don't let her brush your hair.
- If your sister hits you, don't hit her back. They always catch the second person.
- Never ask your 3-year old brother to hold a tomato.
- You can't trust dogs to watch your food.
- Don't sneeze when someone is cutting your hair.
- Puppies still have bad breath even after eating a tic tac.
- Never hold a dust buster and a cat at the same time.
- School lunches stick to the wall.
- You can't hide a piece of broccoli in a glass of milk.
- Don't wear polka-dot underwear under white shorts.
- The best place to be when you are sad is in Grandma's lap.

GREAT TRUTHS ABOUT LIFE THAT ADULTS HAVE LEARNED

- Raising teenagers is like nailing Jelly to a tree.
- There is always a lot to be thankful for if you take time to look for it. For example, I am sitting here thinking how nice it is that wrinkles don't hurt.
- One reason to smile is that every seven minutes of every day, someone in an aerobics class pulls a hamstring.
- The best way to keep kids at home is to make the home a pleasant atmosphere ... and let the air out of their tires.
- Car sickness is the feeling you get when the monthly car payment is due.
- Families are like fudge ... mostly sweet with a few nuts.
- Today's mighty oak is just yesterday's nut that held its ground.
- Laughing helps. It's like jogging on the inside.
- Middle age is when you choose your cereal for the fibre, not the toy.
- My mind not only wanders, sometimes it leaves completely.
- If you can remain calm, you just don't have all the facts.
- You know you're getting old when you stoop to tie your shoes and wonder what else you can do while you're down there.



***Animal Mothers
with their Babies***



WORLD FOOTBALL CHAMPIONSHIP

Denmark qualified for the football (soccer) World Championship in Japan and Korea in 2002 as winners of our group. Last time we made a good performance at an international soccer tournament was in 1992 when we became the European champions after winning over the Germans in the final game. The whole of Denmark really celebrated that victory ! Those were the days ...

In 1992 we made a stamp with the following text:

**We are red - we are white
We are Danish dynamite !**

This stamp you will see many times in the months to come on our correspondence, i.e. until we have also won the finals in Asia (which might be doubtful - but anyway).

WHO IS WHO ?



Who is Jørgen and who is the orang-utan ?

3 correct answers to this difficult question together with the funniest (naughtiest) text will be rewarded with a Mont Blanc ballpoint pen.

I can't wait to hear from you !

This was the version of the DYNASTY UPDATE 2001. I really hope that you enjoyed reading it as much as I enjoyed writing it. I have tried to cope with various subjects and some of these may interest you, others not.

Year 2001 has been a good one for our business. We have booked very large orders for various smelters, and we have an extremely good backlog when we enter the new year, which also seems to become a good one for us.

We appreciate the business we have been doing with you during 2001. We enjoyed serving you and hope that our business association will continue for many years to come.

Always remember: "The shortest distance between 2 individuals is a smile", and the bigger the smile the shorter the distance.

Take care of yourselves and may you all have a very happy Christmas and not least a prosperous 2002, which all of us need, I believe.

Jørgen Simonsen